

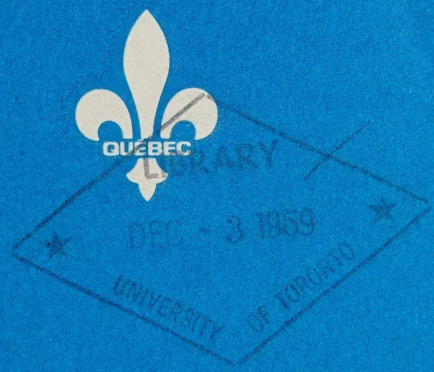
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**GOVERNMENT OF QUÉBEC**  
**STATEMENT BY**  
**THE HONOURABLE**  
**JEAN-PAUL CLOUTIER**  
**MINISTER OF FAMILY**  
**AND SOCIAL WELFARE**  
**AND MINISTER OF HEALTH**

*[Canada Conference]*



**FEDERAL-PROVINCIAL CONFERENCE**  
**OF WELFARE MINISTERS**  
**OTTAWA, JANUARY 16 AND 17, 1969**






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For the second consecutive year, I am happy to find myself in the company of colleagues who, in other governments throughout Canada, have comparable responsibilities in the social welfare field. We are rapidly establishing a tradition of official intergovernmental meetings on social welfare problems as they relate to that over-all pattern of social policy which is now attracting more and more attention from governments and public opinion.

When we met a year ago almost to the day, I conveyed to you certain positions taken by my government with regard to the general social welfare problems facing all governments in Canada. I hope you will not mind if I briefly recall a few essential elements in these positions.

The first problem which greatly concerns us in Québec is the machinery for co-operation between the country's governments. This co-operative machinery should make full allowance for the constitutional authority belonging to each order of government. While acknowledging that a certain federal jurisdiction exists in the social realm, we want, when constitutional discussions take place, to establish an even broader authority for Québec. Yet we recognize that Québec does not exist in a vacuum and that present federal, shared-cost and provincial programmes, in terms of the people in each provincial area, impinge upon the same human, economic and social reality. I recommended that co-operation take place within the framework of intergovernmental conferences. Even though today's gathering has been convened and organized just like other federal-provincial conferences in recent years, its agenda increasingly leans towards considerations well beyond the scope of mere Canada Assistance Plan administration and calling for new approaches to intergovernmental co-operation.

Last year — and here is something that will greatly concern us during the next two days — we stressed the problem arising from growing social assistance costs, an increase which is closely linked to a similar rise in expenditures for health. I summarily recall that I drew your attention to the urgent need for re-examining in depth family social security and manpower policies if we are to deal seriously with assistance costs and the implications of social dependence in a community like Québec. Before concluding my remarks, I shall amplify my thinking on this subject.

I sketched out for you general problems connected with organizing services and the relationship between these problems and



certain aspects of what is more and more widely called social development. I also described in part the direction towards which Québec policies were tending with regard to institutional, special and special group services. At the same time, I touched briefly on Québec's family policy. All in all, I urged that we exchange opinions on matters of this kind in a spirit of full respect for constitutional powers. Since the entire social service field, except for such special groups as the Indians and Eskimos, belongs exclusively to the provinces, the general rule of government conduct — especially for the Ottawa authorities — should be to help the provinces fulfil their responsibilities and to avoid planning in their place and unilaterally the course they should follow or making decisions which may have very serious repercussions on their finances.

A central question concerning us all is the future of the Canada Assistance Plan. Québec's position regarding the plan remains unchanged; we shall take advantage of the provisions in the Established Programs (Interim Arrangements) Act as amended by section 19 of the Canada Assistance Plan. I shall not revert to this subject today; instead, my efforts will be concentrated on eliciting once more a few fundamental aspects of the social assistance problem and its implications for a social policy truly meeting Québec's needs, which differ, in this respect, from those in many other parts of Canada.

### **Who is helped and what social assistance costs**

In view of the technical report by the Québec Family and Social Welfare Department's services which I shall table as an opening contribution to study of this subject, I shall cite only two facts concerning social assistance costs. The first point I consider worth stressing is the constant increase in such disbursements. In Québec, this increase first became apparent during the sixties, despite the tendency towards a decline in unemployment and the rapid rise in the level of economic activity. Since 1966, the expenditures increase rate has swollen considerably. We are now anxiously asking ourselves how far public outlay in this field will go if we have to cope with increasing unemployment, the impact of which is particularly heavy in Québec, especially since the Government of Canada's economic policy does not seem designed to reduce this factor.

Larger expenditures for social assistance seem to us to arise much more from an increase in the number of recipients than from higher average allowances. In Québec, average payments per case

during recent years have gone up 25.6 per cent, from \$65.33 a month in 1960/61 to \$82.06 in 1967/68. In comparison, the number of cases mounted from 111 000 to 193 000 during the same period, a difference of 74 per cent. Therefore the higher number of recipients played the dominant part in boosting total assistance expenditures. This fact leads us to reflect seriously on the causes promoting growth in the number of recipients and on what is to become of them in future.

We have given serious thought to the reasons inducing new groups of people to ask for social assistance. As far as Québec is concerned, the most important general factor is the poverty of French-Canadian individuals and families, resulting from improper income distribution, onerous family expenses attributable to higher costs for raising children, considerable unemployment in our community, inadequacies in the labour force's education and vocational training and — finally — the enormous need to make up for lost time in education, health and welfare. Unemployment certainly is related to the economy's difficulty in supplying sufficient new jobs to enable the great number of available young people to enter the labour force. It is also occasioned by technological changes affecting certain industries, especially in the primary sector.

To the situation just described, we should add a very disjointed job market, making itself manifest in various ways, with employers constantly raising their training requirements. Many workers come to despair of success in finding a suitable position or one they can adequately hold. Indebtedness is another important factor in creating welfare recipients and can constitute a hurdle to their re-entry into the labour market. Even more important, among older assistance beneficiaries and workers, many choose social assistance payments scaled to family obligations in preference to over-modest wages, or else the security of an income from welfare funds rather than the insecurity of temporary work even when well paid.

We have undertaken to recast our former administrative structures with two ends in view. First, to give proper weight to the real difficulties confronting assistance recipients, so that they may return to normal life, thereby avoiding even more serious social problems, and — second — to set up modern and prompt administrative controls. This has proved to be an arduous task since, coincidental with the efforts required to install new structures, we have had to continue discharging current obligations stemming from statutory requirements. In the process, we have uncovered frauds associated with criminal acts and with piling up allowance payments



and wages. This has shown the necessity for stricter administrative checking and, in some instances, referral to the Justice Department. Such untoward developments are understandable when we remember that major responsibilities were in the course of being transferred from municipalities, agencies and the Social Allowances Commission to the Family and Social Welfare Department. This assumption of responsibility is an important step towards Québec's governmental and social reorganization.

At the Federal-provincial Welfare Ministers' Conference in January 1968, I described the means we should use in instituting a search for long-term solutions to social assistance problems. In my opinion, these problems require the Government of Canada radically to change its policies in the social security field. Unhappily, no progress whatever has been made in this matter during the past year; far from it, as we witnessed in recent discussions on medicare, the Government of Canada is continuing its policy of initiating new social security programmes without bothering about their repercussion on provincial finances.

I still believe that we must review the policies governing both manpower and family social security in order to find an effective solution to the problems now facing Québec in these fields. To us, this issue is fundamental and urgent, and our efforts have already produced concrete results. When I recommended last year that the federal government withdraw from family and old age social security and make an outright transfer of manpower services to my government, my intention was not to indulge in an idle struggle for power and prestige, but to enable Québec to institute coherent and effective legislation in this sphere. Our social policy has been developed along four general guidelines and I would like to elaborate on them.

## **Policy aims**

### **1. Responsibilities of the various governments**

The first question that comes up regarding the aims of social policies bears on their unity or diversity in Canada. In the past, Québec has advocated the need for diversity and taken initiatives which gave a particular slant to social measures implemented by the province. Other opinions voiced recently stress the importance of drafting a social policy for Canada as a whole. Before going any further, we must find out just what this proposition means, because if it favours a monolithic and uniform social policy for Canada, we reject it. The two main cultural groups, the people in various regions



of the country behave differently and organize their collective life in line with their own aspirations. I simply cannot believe that a policy based on a single standard and designed to solve social problems on a unitary basis has any chance of success. Nor is it by following a monolithic Canadian policy that we can expect co-operation from people in various regions, from different social groups and from the numerous organizations engaged in this field.

Advocacy of different social policies adapted to conditions in various parts of the country can be reconciled with the common destiny of all Canadians and their governments as well as with an over-all policy which respects provincial and regional social policies and takes into account the environment that inspired them. In this respect, I feel it is important to make certain distinctions and I would like to submit the following propositions.

- (a) Establishing general objectives for socio-economic development is the joint responsibility of all government sectors in Canada.
- (b) The Canadian Government has always maintained that it is chiefly responsible for economic policies; however, in view of the growing problems created by these policies, I think it is increasingly obvious that the Government of Canada should take appropriate measures and accept the co-operation of the provinces.
- (c) On the other hand, social policy is a basic provincial responsibility. The co-existence of two sectors of government in this field thwarts effective planning, makes for contradiction between the various programmes, even leads to waste and administrative overlapping. Social security measures as a whole have a direct relationship to a people's culture and enable them to express themselves collectively. Quebecers cannot be deprived of their own social security system any more than they can do without their own legislative or educational system.
- (d) Even if social policy is to become a basic and integral jurisdiction of the provinces, the Canadian Government must assume responsibility for making this policy possible through fair redistribution of revenues which recognizes common problems attending provincial social policies, in line with such common aims as mobility of manpower throughout Canada.

- (e) I would also point out that the federal and provincial governments have joint responsibility as regards the social implications of economic measures; these implications are becoming increasingly obvious in present conditions where economic policies are designed to control inflationary pressures, running the risk of swelling further the ranks of the unemployed, especially in certain parts of the country.
- (f) I agree that the Government of Canada could be delegated by the provinces to draft social policies and also administer programmes for those provinces that might prefer such an arrangement and find it advantageous.

## **2. Intergovernmental co-operation**

If social policies are to meet the problems peculiar to the various regions of the country — especially Québec — it is imperative that machinery for social planning as well as intergovernmental co-ordination and co-operation be set up in such a way that it will take into account the basic responsibilities of the provinces in matters of social policy, the present joint responsibilities of the federal and provincial government and the specific responsibilities of the Canadian Government in economic policies.

The way federal-provincial conferences have been organized in the past falls short of the need for co-operation between governments that enjoy autonomous jurisdictions. Rather, it reflects the federal government's tendency — perhaps desire — to take over responsibilities which properly belong to a unitary, not a federal state, affording it the opportunity to encroach further on fields of provincial jurisdiction. And yet, intergovernmental co-operation should prompt the Canadian people to select objectives for social policies and, while respecting the jurisdictions of the various governments, to organize the development of both existing and future programmes. This is why I said during last year's conference that it would be important to set up a certain number of intergovernmental co-operation mechanisms: a Continuing Intergovernmental Conference of Welfare Ministers, possibly including ministers from other departments involved in social development; communications between this Conference and advisory bodies on which provincial representation would be in the majority; appointment of specialized intergovernmental committees; establishment of a Canadian Council of Provincial Welfare Ministers with a permanent secretariat. These suggestions have lost nothing of



their relevance. I deplore the silence of the federal government on the issue and I hope that the chairman of this conference will give us his views on a matter of such common interest.

### **3. Family social security**

The third aspect of social policy in Québec bears on the urgency of drastically modifying the system of federal family allowances to Quebecers. During last year's conference, I stated that the following objectives were essential for lightening the burden of dependants: federal government administrators must turn the family allowance scheme over to Québec so it can be meshed with our own plan, and benefits paid under these two programmes must be completely reviewed "to do away with other benefits for all children after the third one". On several occasions, the Québec Government voiced its views on this subject and they remain unchanged. The reasons I gave last year are more pertinent than ever, especially if we keep in mind the ever-increasing number of people on welfare rolls as well as the trend of recent American works on what they commonly call the "social welfare crisis" and, according to some authors, the "failure" of assistance schemes.

In our opinion, the review of family social security must be made in the light of the following considerations.

- Extension of the structure of Québec's family allowance programme to all monies now spent in that province in order to boost considerably the level of benefits to families with more than three children.
- Maintenance of a universal family allowance plan and rejection of any scheme whatever which would restrict eligibility for benefits to certain families according to income or occupation of the family head.
- Establishment of benefits generous enough to cover the cost of children's essential needs. The extent to which these benefits would cover the total cost of such needs would be greater as the family grows larger. Allowances would also be so scaled as to account for the fact that the older the children, the more expensive their upkeep.
- Benefits related to the cost of living.

- Elimination of income tax exemptions for children. This measure has been implemented by Québec's Revenue Department.
- Taxation of family allowances, either at current marginal rates prescribed on income tax returns, or at accelerated rates. Possible withdrawal of sales tax exemptions on children's wear and transfer of this tax yield to family allowances.
- Deduction of increased family allowances from social assistance rate scales.
- Possible expansion of the programme to cover older children, and attendant restructuring of schooling allowances and student assistance.
- Eventual re-examination of benefit scales in certain programmes which now take the number of dependants into account.
- Financing the new family allowance plan without increasing taxes.
- In addition to the review of benefit scales, establishment of new measures to foster family unity and development.

#### **4. The system for providing services**

The last of our immediate objectives is to make manpower-related services an integral part of a dynamic policy aimed at economic development and job creation. As I pointed out at last year's conference, there is a very close relationship between social assistance, unemployment insurance and manpower policies. At that time, I expressed it in these terms: "In our present system, as a rule the idle worker is referred to provincial services only after his unemployment insurance benefits have run out and federal manpower officials have declared him ineligible for vocational training courses. This is when he is dumped in the lap of the province, so to speak, when he has already been unemployed for several months and after rehabilitation has failed or been deemed impossible by federal organizations. We believe that this system is unsound: prevention, rehabilitation and social assistance must go hand in hand and be integrated into the same system. Only one administration must take decisions concerning each of these areas, only one government sector must be answerable for these areas which are essentially various aspects of a single social policy."



Not only has our position since those words were written remained the same, but it has been restated at sessions of the Constitutional Conference. Having carried this logic even further in our effort to devise a rational system for providing services, we now feel that a distinction should be made between the network of agencies distributing cash allowances and the network engaged in placement, rehabilitation and prevention services.

The first group might include the Pension Board, the Unemployment, Workmen's Compensation and Minimum Wage Commissions, as well as organizations charged with administering vocational training allowances and social assistance. The requirements of handling the ad hoc programme are such that a data centre is urgently needed to record and co-ordinate all applications for services, quite apart from the obvious advantages to be derived from consolidating the various delivery systems.

The second group takes in two service networks. The first has to do with the utilization of manpower: placement, counselling, vocational training, retraining under federal auspices or by means of provincial manpower and social assistance services. The other network covers all sources of preventive and medico-social treatment, including welfare agencies, psychiatric or psychosocial clinics, specialized social services, preventive medicine, outpatient clinics, motivational work and social development services.

To a large extent, each of these service networks is designed for the same group of individuals and families, providing facilities which complement one another, if they do not actually overlap. To the individual needing help, they frequently appear so complex as to be impenetrable. At all costs then, we must avoid adding to the number of units which provide services in each network and attempt to put order in those we have, making them multi-functional if necessary. We must also acknowledge the fact that much better results could be obtained if resources were combined, rather than remaining in separate networks as they are now — not to mention the substantial administrative savings which could result. In the shorter run, however, the most urgent task is to achieve co-ordination within each network. This will require action at all points where services are provided, concerted planning between government departments and co-operation between governments.

It is at the local level that the need for consultation and co-ordination between services is most critical. A few years ago, the

Québec Family and Social Welfare Department launched a number of pilot projects intended to enlist the help of various organizations in restoring welfare recipients to normally productive lives. The key to this experiment was the round-table discussion which enabled organizations to re-examine and plan their courses of action systematically. The formula proved so successful that many more such projects were initiated during the current fiscal year. The early experiments involved anyone who happened to be on welfare rolls and there was not necessarily any similarity of occupation among chief breadwinners. It is worth mentioning that, as regards direct services in Québec territory, federal Manpower Centres offer little or no assistance to people on relief.

Later pilot projects concentrated on groups of people having the same occupation — fishermen, forest workers, farmers working marginal land. In each instance, the experiment depended for its success on teamwork between several Québec Government departments, among them Lands and Forests, Industry and Commerce, Agriculture, Labour, Family and Social Welfare.

Under the heading of interdepartmental co-operation, we might mention our own experience in the matter of ill-adapted children. After two years of effort, discussion and negotiation, a team representing several departments has turned out a working document to be used in concerting action in this area, one beset with particularly thorny problems. The text has been approved by the government and is to be published shortly. Its appearance coincides with the appointment of an interdepartmental committee on ill-adapted children, whose reports will be directed not only to the departments concerned, but also to the Planning Bureau newly instituted by the Québec Legislature during the last session. Tentatively entitled "Elements in a Policy for Ill-adapted Children", this document comes at an opportune moment, just as the machinery has been set up to carry out its recommendations.

However, the effectiveness of machinery for province-wide co-ordination and planning will remain limited as long as the federal government continues to intervene and its services have not been meshed with the province's numerous services in the welfare, health and education fields. One year ago at this table, and again today, I pointed out the need for sweeping changes in the organization of social security, employment and vocational training services in the federal sector and for new methods of intergovernmental co-operation which will allow for the fact that social policies are the provinces' fundamental responsibility.



## **Social priorities and public funds**

The lion's share in Québec's budgets during recent years has been earmarked for education, economic development and social security. To meet the pressing needs of our citizens in these areas, the government has had to increase the tax load borne by Quebecers. We have adhered religiously to the restrictions of an austerity policy and the increased expenditures which materialized during 1968/69 had been foreseen. Every main decision taken by the Québec Government during this period has been held up to the hard light of economic and social priorities.

Costs related to human resources continue to rise at an ever faster rate. In Québec, the mounting cost of government programmes is attributable to a certain worsening in the social situation, to persistent unemployment and poverty, as well as to the government's firm resolve to assume its responsibilities for social policies, more particularly as they pertain to the rehabilitation of welfare recipients and the development of institutional and social services. This means taking on, in common with Canada's other governments, enormous tasks which are especially burdensome because of problems peculiar to Québec.

If we are to carry out these tasks, several conditions must be met, and we consider it urgent that they be met soon. The first is financial. As the Prime Minister of Québec said just recently, the social development tax proceeds should have been entirely allocated to the provinces, since discharging their obligations subjects them to a tighter financial squeeze than that felt by the Government of Canada.

The second condition entails major amendments to social policy in order to step up the effectiveness of several programmes — headed by family allowances — and to control the rate of increase in social spending. This revamping must include the rationalization of policies and programme administration so as to reduce the considerable duplication which now exists in both spheres between federal and provincial governments and also within public and quasi-public sectors under provincial jurisdiction.

The final condition needed for effective development of social policies has to do with the methods of intergovernmental co-operation so strongly recommended by the Québec Government; this would require profound changes in the climate and machinery characteristic of federal-provincial relations during recent years and the introduction of procedures whereby each government would respect the others' powers.













